

# United States Senate

WASHINGTON, DC 20510

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May 8, 2008

The Honorable Elaine L. Chao  
Pension Benefit Guaranty Corporation  
1200 K Street, NW  
Washington, DC 20005

Dear Chairwoman Chao:

Organizations and functions under your direction are categorized as high risk programs by the Government Accountability Office (GAO). Although comprehensive legislative reform addressed many concerns about the financial condition of the Pension Benefit Guaranty Corporation's (PBGS) Single-Employer Pension Insurance Program, the program remains at risk due in to the its large deficit and uncertainty about the future of private defined benefit system. The program was designated as being at high risk in 2003 and continues to be so today.

I am writing to express my concern that this program continues to be designated as high risk after five years. It is well understood that institutional change is often complex and takes both time and resources to transform these often unwieldy programs. However, strategic planning and budgeting can yield staggering results with disciplined management and oversight. As Chairwoman, you are uniquely positioned to guide this process and make necessary recommendations to the Congress.

The PBGC currently has three reports with multiple issues identified by the GAO that remain outstanding. What actions has PBGC taken to address these issues and achieve removal from the GAO high risk list in January 2009? Your prompt response is greatly appreciated.

Please do not hesitate to contact me or Sheldon Shoemaker of my staff at (202) 228-6476 if you would like to discuss these concerns or other matters.

Sincerely,



CLAIRE McCASKILL  
United States Senator